every citizen who has imagination enough to conceive what our fighting men are doing for us and how supreme is our duty to do everything to relieve them from any other burden except those which the war compels them to face. There is also the fact that many members of our uninstructed industrial population believe that the richer classes are growing richer owing to the war, and battening on the proceeds of the loans. I do not think that this is true; on the contrary, I believe that the war has brought a considerable shifting of buying power from the well-to-do classes to the manual workers. Nevertheless, in these times misconceptions are awkwardly active for evil. The well-to-do classes as a whole are not really benefited by having their future incomes pledged in order to meet the future debt charge, and if, at the same time, they are believed to be acquiring the right to wealth, which wealth they will have themselves to provide, the fatuity of the borrowing policy becomes more manifest. For these reasons it is sincerely to be hoped that our next fiscal year will be marked by a much higher revenue from taxation, a considerable decrease in expenditure, and a consequently great improvement in the proportion of war's cost met out of revenue, on what has been done in the past year. At our present rate of taxation we are not nearly meeting, out of permanent taxes, the sum which

will be needed when the war is over for peace expenditure on the inevitably higher scale, pensions, and interest and sinking fund on war debt.